IN THE HIGH COURT OF JUDICATURE FOR RAJASTHAN AT JAIPUR BENCH JAIPUR.

ORDER
In
S.B. Company Application No. 15 of 2006

IN THE MATTER OF THE COMPANIES ACT 1956
AND
IN THE MATTER OF SECTION 391 AND SECTION 394 OF THE COMPANIES ACT 1956
AND
IN THE MATTER OF SCHEME OF ARRANGEMENT
BETWEEN

Gillette India Limited
and
its Shareholders.

Date of Order : May 19, 2006

P R E S E N T

HON'BLE MR. JUSTICE SHIV KUMAR SHARMA

Mr. Paras Kuhad for the applicants.

BY THE COURT

The applicant Gillette India Limited, filed this application under sections 391 and 394 of the Companies Act, 1956 (hereinafter shall be referred to s the Act of 1956) for a direction of the Court as to the method of convening, holding and conducting the meetings of the shareholders and

creditors of the respective applicant companies, as to the notices and advertisement to be issued, for the purpose of considering and, if thought fit, approving with or without modification, the scheme of arrangement proposed between Gillette India Limited and its shareholders.

2. Gillette India Limited (hereinafter shall be referred as the applicant Company) is a company duly incorporated under the Indian Companies Act, 1913 on February 9, 1984 vide Certificate of Incorporation No.17-02890. The company was originally incorporated under the name of Indian Shaving Products Ltd. The name of the company was subsequently changed to Gillette India Limited.

3. The position authorized issued, subscribed and paid up capital of the applicant company No.1 as on date is detailed out in para No.3 of the application.

4.The main objects of the applicant company as set out in the object clause of its Memorandum of Association, have been detailed out in para No.5 of the application. The copy of the latest audited annual accounts of the applicant company for the year ended on December 31, 2005 has been submitted as Annexure C to the application.

5. That as a result of the worldwide merger of the Gillette Company USA and Aquarium Acquisition Corporation- a wholly owned subsidiary of Proctor and Gable Company USA (P& G) the applicant company has become part of the Proctor and Gable Company with effect from October 1, 2005.

6. The company's best assessment of the facts before it, being part of P& G,

presents an opportunity to accelerate its current growth and become more efficient by leveraging synergies arising out of merger. The areas of opportunities will cover, among others, access to a more efficient sales and distribution system; bigger scale of efficiencies and effectiveness with supplier and media; use of best in class practices/ processes; operating under proven structure of P &G's global business services that encourage innovation and builds shareholder value. The Board of Directors in its meeting of January 15, 2006 approved the restructuring plan. The major restructuring steps are given in para 9 of the application. The restructuring exercise involves considerable estimated one time costs of Rs. 85,00,00,000 (rupees eight thousand five hundred lacs only) and will be incurred within eighteen to twenty four months from the appointed date. As the benefits of the restructure will be realised by way of improved operational efficiencies over a period of time, it is proposed to enter into the Scheme of Arrangement with the shareholders of the company to write off the one time business restructuring costs against the amalgamation reserve forming part of the Capital reserves of the company instead of charging the same to the profit and loss of the company. The savings and benefits resulting from the restructuring are expected to outweigh the costs. The restructuring is in the overall interest of the company.

7. The company vide the scheme of arrangement proposed to write off the one time costs against the amalgamation reserve forming part of the capital reserves of the company and the company has decided to present this restructuring proposal as a scheme under section 391 of the Companies Act with a view to provide for greater level of transparency and openness and to secure full involvement of the shareholders. The applicant company in its

Board meeting approved the scheme of arrangement and the same has been filed with the application as Annexure A. The Scheme of Arrangement is enclosed as Annexure D with the application.

8. In pursuance of the listing agreement the applicant company has field applications along with the copy of scheme of arrangement with the Stock Exchanges. The applications filed by the applicant company with the Stock Exchanges are enclosed as Annexures E & F. The list of directors in the applicant company are enclosed as Annexure G with the application. The directors of the applicant company have no material interest in the proposed scheme of arrangement. The latest distribution of shareholding of applicant company has been provided in Annexure H enclosed with the application. The applicant company has 15,295 shareholders. The company has no secured creditors. The restructuring does not involve either the diminution of any liability in respect of unpaid capital or the payment to any shareholder of any paid up capita. The creditors of the company are in no way affected by the proposed restructuring of the share capital as there is no reduction in the amount payable to any of the creditors. No proceedings under section 235 to 251 of the Companies Act are pending pending against the applicant company.

9. Having heard the learned counsel for the applicants, on perusal of the entire application, it is ordered that the meetings of the shareholders of the applicant company for the purpose of considering and if thought fit, approving with or without modifications, the scheme of arrangement aforesaid shall be convened and held as per the following schedule -

Name	Date and time	Place
Shareholders of the Company	22.6.2006	Registered office of the company

10. That at least 21 clear days before the days fixed for the meetings an advertisement convening the same and stating that copies of the said scheme of arrangement and of the statements required to be furnished shall be furnished pursuant to section 393 of the Act, 1956 and forms of proxy can be obtained free of charge at the office of the applicant No.1 and 2 respectively or from the office of their advocates be advertised once in the dailies namely, English New paper -Hindustan Times (New Delhi Edition) and Hindi News paper- Dainik Bhaskar (Jaipur Edition)

11. That at least 21 clear days before the meetings to be held as aforesaid a notice convening the said meetings at the place and time aforesaid, together with the copy of the said scheme of arrangement, a copy of the statement required to be sent under section 393 of the Act, 1956 and the prescribed form of proxy, shall be sent by prepaid post under certificate of posting addressed to each of the shareholders, whose meetings are to be held at the registered addresses.

12. That the advocates for the applicant company do, within the time as they consider necessary and at least within three days, file in Court the forms of the advertisement, the notices and statement to accompany the notices, and the same shall be settled by the Registrar of this Court.

13. That Shri Ashok Pareek, Advocate Rajasthan High Court, Bench Jaipur shall be the Chairman of the meetings of the shareholders, to be held on June 22, 2006 as aforesaid. The applicant company shall deposit in the court or pay within one week from today an amount of Rs. 11,000 towards remuneration to the Chairman for presiding the meeting aforesaid. The applicant company shall also bear the expense of conveyance of the the Chairman for the said meeting.

14. That the Chairman appointed for the meetings through applicant Company, do issue the advertisement and send out the notices of the meeting referred to above.

15. That the quorum for the said meetings shall be as per the provisions of the Act, 1956

16. That voting by proxy be permitted, provided that a proxy in the prescribed form duly signed by the person entitled to attend and vote at the meeting, is filed with the applicant company at their registered office, aforesaid not later than forty eight hours before the meeting scheduled to be held.

17. That the value of each shareholder shall be in accordance with the books of the applicant company where the entries in the books are disputed the Chairman shall determined the value for purposes of the meetings

18 And it is further ordered that the Chairman do separately report to this Court the result of the said meetings within seven days of the conclusion thereof, and the said reports shall be verified by his affidavit.

19. With these directions the application accordingly stands disposed of.

(SHIV KUMAR SHARMA)J.

Pareek/